



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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Required Report - FAS internal use only

**Date:** 4/6/2005

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## Korea, Republic of

### Trade Show Evaluation

### U.S. Pavilion, Food & Hotel Korea

### 2005

**Approved by:**

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**Report Highlights:**

(Activity Code: A05G031400)

The U.S. pavilion of the Food and Hotel Korea Show housed 65 U.S. food suppliers and MAP participants in 53 booths. Over 6,000 Korean food traders visited the pavilion over the course of the three-day event, resulting in 456 promising contacts to U.S. exhibitors. In addition to \$185,000 of actual sales signed on-site, U.S. exhibitors reported a total of \$8.95 million of potential sales from the show over the next twelve months.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Seoul ATO [KS2]  
[KS]

Name of Show: Food & Hotel Korea 2005  
Activity Code: A05G031400 (U.S. Pavilion, Food & Hotel Korea 2005)  
Date: March 16 - 18, 2005  
Venue: COEX, Seoul, Korea  
City/Country: Seoul, Korea

## I. STATISTICAL SUMMARY

### A. Profile of Visitors

1. Total number of show visitors: 6,524
2. Estimated number of trade visitors: over 6,000
3. Estimated number of foreign third country visitors: Not available.
4. Number of serious trade contacts made by U.S. companies: 456 reported from 37 exhibitors

### B. Profile of Show

1. Size of venue: 4,800 square meters for the whole show (1,300 square meters for the U.S. pavilion)
2. Number of booths: 210 booths for the whole show (53 booths in the U.S. pavilion)
3. Size of trade lounge: 24 square meters for the U.S. Business & Information Center
4. Number of guests at the opening reception: 200
5. Number of U.S. firms, trade associations, and state departments of agriculture: 65

### C. FAS Show Expenses (exchange rate: \$1 = W1,050)

1. Booth Rental: \$0
2. Design Enhancement for the U.S. Pavilion: \$7,795 (paid out of the NASDA show enhancement fund)
3. U.S. Pavilion Reception: \$9,267 (paid out of the NASDA show enhancement fund)
4. Public Relations: \$2,160 (paid out of the NASDA show enhancement fund)
5. Others: \$0
6. Total Expense: \$19,231 (all paid out of the NASDA show enhancement fund)

### D. Exhibitor Expenses and Revenues

1. Participation fees
  - a. Average cost per firm: \$2,562
  - b. Total for all firms: \$166,500
2. Other expenses: N.A.
3. Total exhibitor expenses: N.A.\*  
\* Post is unable to tract other expenses, including transportation and hotel rooms, that exhibitors spent for the show.
4. Revenues (D3 - C7)
  - a. Average per firm: N.A.
  - b. Total for all firms: N.A.\*\*

\*\* The Food & Hotel Korea is a private show and Post did not run a 12X account.

### E. Product/ Sales Information

1. Number of products test marketed: 972
2. Products that generated the most buyer interest: Soybeans, bacon bits, pepperoni, precooked bacon, frozen pork, sprouting beans, Natto beans, wheat flour, blueberries, almond, walnut, organic crackers, jams, jellies, sauces, organic cheese, wine, vegetarian products, mustard, clear hot sauce, chips, snacks, hot peppers, frozen potato products, hyper-market juice, cured pitted dried olives, extra virgin olive oil, soft pretzels, ice cream, shelf stable cheese, salsa, juice concentrates, croissants, Danish, Pollock roe, cookies,

whisky, organic products, donuts, soft drink, raisins, peeled carrots, tortillas, Guacamole, calcium water, dark chocolate, candy, wingster, body products, tea tree shampoo

3. Total projected 12-month sales resulting from show: \$8,950,000

4. Total reported on-site sales from the show: \$185,000

## II. FAS FIELD EVALUATION

### A. Show Objectives:

A trade-only food exhibition is one of the most efficient marketing tools for new-to-market products and suppliers to develop business contacts and market intelligence. Food & Hotel Korea (FHK), organized by a private entity, Overseas Exhibition Services Ltd., is the only trade-only food show currently available in the market. Post intended to achieve the following goals by endorsing and supporting this show:

(1) Increase the number of new-to-market U.S. products and suppliers introduced to the key Korean traders.

(2) Provide U.S. exhibitors with up-to-date market intelligence and business facilitating services.

(3) Help the show grow into a leading food trade show in Korea so that it can better accommodate business contacts between U.S. suppliers and local food traders.

### B. Show's Success in Achieving the Objectives:

The show this year successfully met the goals set by Post. U.S. exhibitors were very pleased with the turnout and the quality of visitors to their booths. Post also noticed that the U.S. Pavilion was the most crowded part of the show floor throughout the show. Verbal evaluations collected on the show floor from leading local industry contacts were also very favorable.

(1) Number of U.S. suppliers/booths:

In spite of the lack of participation from two leading consumer ready export segments of the U.S. food industry, beef and poultry, the number of U.S. suppliers and booths in the U.S. pavilion this year increased significantly from last year (number of exhibitors: 40? 65, booths: 42? 53).

(2) Amount of on-site/projected sales from the show:

In addition to \$185,000 on-site sales reported by three exhibitors, twenty exhibitors reported a total of \$8.95 million of potential sales over the next twelve months.

(3) Number of trade visitors to the show:

Over 6,000 trade visitors attended the show. Considering the increasing reputation of the show, significant growth in the number of future show visitors is anticipated. U.S. exhibitors also graded the quality of visitors highly in the survey.

(4) Number of serious contacts gained by U.S. exhibitors: 456

(5) Total number of booths/exhibitors of the show:

More than 250 food suppliers from 17 countries exhibited through 210 booths at the show, which is a slight increase from last year. Major competitors, including Australia, Chile and France, brought a large number of exhibitors to the event under individual country pavilions. Canada and Belgium also had sizable country pavilions.

### C. Show Highlights:

(1) Over forty exhibitors and visitors attended the U.S. Exhibitor Orientation Seminar hosted and presented by ATO Seoul on March 15. The seminar presented two presentations: "The Korean Market Overview" and "New Food Trends in Korea". The seminar was followed by a market tour to the grocery section of the Hyundai Department Store and the Orga Store, a grocery supermarket focused on environmentally friendly (including organic) products.

(2) The opening ceremony, held on the morning of March 16, was attended by a dozen VIPs from foreign embassies in Seoul, including Mr. Mark Minton, Charge d'Affaires, U.S. Embassy, Seoul.

(3) The opening reception of the U.S. Pavilion was held in the COEX Grand ballroom, on the evening of March 16, and was attended by over 200 people, including 186 local industry contacts.

(4) The U.S. Business & Information Center which was operated by FAS (ATO and AAO) Seoul and SRTG staff within the U.S. pavilion, provided exhibitors and visitors with various services, including three (really two) Internet PC's, local telephone service, three enclosed meeting rooms, interpretation, and business consultations. SRTG representatives were from WUSATA, MIATCO, and SUSTA.

(5) "The Food Show Plus!" program offered by MIATCO and WUSATA added great value to the show. Over 120 one-on-one meetings were arranged for participating exhibitors, resulting in many serious business leads. Almost all participants in this program were pleased and many who did not participate wanted to do so next year.

(6) A seafood seminar, titled as "Healthy & New Seafood Menus from Western USA", co-hosted by WUSATA and ATO Seoul on March 17, received a great deal of interest from local seafood importers and food service traders. A total of 72 people attended the seminar. Participants received new recipe ideas as well as product information. Products introduced through the seminar included sardines, halibut, black cod, skate, salmon, Dungeness crab, Pacific silver Hake (whiting), and hagfish (eel).

(7) An organic seminar, titled as "the U.S. Organic Industry Trends", co-hosted by WUSATA and ATO Seoul on March 17, educated over 120 attendees about the newest product opportunities from the U.S. organic industry.

(8) ATO Seoul repeated the organic presentation for a seminar hosted by the show organizer later on March 17.

(9) Many exhibitors attended the "Happy Hour" event held in the U.S. Business & Information Center the last hour of the show and commented that the small social event added additional value to the U.S. pavilion by offering an opportunity to communicate with other exhibitors before heading home.

#### D. Suggestions for Improving Future Shows:

##### (1) Management of the registration desk

There were obviously some non-traders admitted to the show, resulting in minor disruptions for some exhibitors. Post noticed that the registration desk was not managed as tightly as in other shows that charge visitors an admission fee. This issue will be brought to the show organizer to ensure a tighter management of the registration desk in future shows.

##### (2) Student visitors

There were roughly 200 students from local culinary schools admitted to the show. Many exhibitors were caught by surprise as the show is advertised as a trade-only show and many complained that they gave away too many of their samples and/or company literature before realizing what was happening. It is recommended that the number of students be kept to a minimum, that students should have special badges that say "student", and be admitted only at a specified time (such as the last two or three hours of the last day of the show) and all exhibitors should be forewarned about exactly when and how many students are being permitted entry. This should be written directly in the MOU with the show organizer. In addition, ATO will work with the show organizer and other national pavilions to add value to the students' participation, such as developing a seminar on international marketing and/or how to work a trade show to gain the maximum product understanding, combined with the students preparing a written report/evaluation that could be useful to the exhibitors or show organizer. In this way, tomorrow's potential buyers will leave the event with knowledge for future use.

##### (3) Badges

The badges needed to be completely in English. The names of the visitors were written in Korean. Many badges said "Business" and the exhibitors did not know what that meant. No badges specified distributors; likely those were classified as "Business" which was too vague. Lead machines might be a good investment to help exhibitors keep better track of visitors.



(4) Setup

The show organizer was still constructing the U.S. Pavilion well into the first show day. One exhibitor was upset that there was a man on a ladder right next to his booth hanging lights at noon on the first day. Post feels it necessary to write a penalty clause into the contract with the show organizer next year (something like \$500 penalty for every 30 minutes of delayed booth setup after the opening of the show).

(5) Fascia Boards

Three exhibitors had misspelled signs. The exhibitor was responsible for one of them, while the other two were organizer's mistakes. Two of the exhibitors did not realize they could have had the mistake corrected.

(6) U.S. Business & Information Center (B&IC)

1) As the number of U.S. exhibitors grows, the B&IC is also growing in size to accommodate those exhibitors. However, since this part of the show is merely in support of the exhibitors, it really does not need to occupy space on the show floor, but should remain within the U.S. Pavilion. It is recommended that the B&IC be more tucked away next time.

2) Some exhibitors were unaware of the services offered by the B&IC. These exhibitors, all of them participated in the show as part of trade groups, obviously did not receive related information from the show organizer, the ATO/FAS, or the representative of the trade group. More effort needs to be made by everybody in the recruitment chain to inform exhibitors under such groups.

3) The B&IC needs to provide some drinks; water at a minimum. A mechanism whereby lunch could be provided to exhibitors through reimbursement would be convenient. Many exhibitors were manning their booth alone and did not have the time to leave the show floor to find lunch.

(7) Working together with SRTGs

Of the six booths within in the B&IC, MIATCO paid for two and WUSATA for one. SUSTA had intended to be included, but there was a communication breakdown. Post has discussed the matter with SUSTA and both sides will redouble efforts to enhance contact for future joint activities.

E. Suggestions for Improving FAS/W Management or Support of Show:

(1) Show Enhancement Fund

Considering the significant budget cut made to Post this year, the Enhancement Funding allocated to FHK was crucial in maintaining the quality of services that Post was able to provide to the show. Post hopes that Enhancement Fund will continue to be available in the future.

F. Exhibitor Problems:

One exhibitor reported that cash was the only option accepted by the show organizer for booth fee payment. Post will talk to the organizer to add credit card payment option.

G. Public Relations/ Advertising:

Post mailed out a total of 3,000 show invitation cards to key contacts in the local food industry. Another 300 direct mails were sent out to important business, press and government contacts to invite them to the U.S. pavilion reception. Post provided the Trade Show Office with a letter promoting the show that was used for recruitment.

Enclosure: Exhibitor Survey Result

**Result of Evaluation Survey**  
**USA Pavilion at Food & Hotel Korea 2005**  
**March 16 – 18, 2005**

**Number of exhibitors submitted survey: 37**  
**Number of survey forms received: 39**

### Your Results

1. How many products did you introduce or test market at this show? 972

2. Which products generated the most buyer interest?

Soybeans, Bacon Bits, Pepperoni, Pre-cooked Bacon, Frozen Pork, Sprouting Beans, Natto Beans, Wheat Flour, Blueberries, Almond, Walnut, Organic Crackers, Jams, Jellies, Sauces(2), Organic Cheese, Wine(2), Vegetarian Products, Mustard, Clear Hot Sauce, Chips, Snacks(2), Hot Peppers, Frozen Potato Products, Hyper-Market Juice, Cured Pitted Dried Olives, Extra Virgin Olive Oil, Soft Pretzels, Ice Cream(2), Shelf Stable Cheese, Salsa, Juice Concentrates, Croissants, Danish, Pollock Roe, Cookies, Whisky, Organic Products, Donuts, Soft Drink, Raisins, Peeled Carrots, Tortillas, Guacamole, Calcium Water, Dark Chocolate, Candy, Wingster, Body Products, Tea Tree Shampoo

3. How many serious contacts did you make? 456

4. What were your on-site sales at this show? \$185,000 (3 companies)

5. What are your projected 12-month sales resulting from this show? \$8,950,000 (20 companies)

### Our Service

6. The consolidation services and shipping instructions

Excellent Did not receive	Satisfactory								Poor
10	9	8	7	6	5	4	3	2	
1									
7	7	3	1	2	3	0	0	1	1
									7

Suggestions for improvement: 1. Consolidation services were too pricey so did not use - hand carried products. 2. Logistics were great. 3. Not a lot of info. 4. Brochure buyers guide all wrong info. 5. Cold storage is needed. 6. Shipping okay, graphics not set up as told. Lights didn't come as ordered - had to ask. Payment in cash required un-professional. 7. Our registration was delayed.

7. The usefulness of the market information provided by FAS (if Applicable)

Excellent Did not receive	Satisfactory								Poor
10	9	8	7	6	5	4	3	2	
1									
4	9	7	3	2	2	0	0	0	9

What would you like to see more of : 1. Wholesale markets and hypermarkets. 2. Hard to read and find – ATO & staff top notch!. 3. More info about duties and tariffs on products. 4. More organic info. 5. Trade leads. 6. Food service/hotel follow-up. 7. Didn't know about it. 8. Got at show, didn't use yet. Received importers list. 9. Didn't receive info from FAS 10. Received on-site.

8. The pre-show briefing and information packets distributed at the show (if applicable)

Excellent Did not receive	Satisfactory							Poor	
10	9	8	7	6	5	4	3	2	
1									
9	6	3	2	0	2	1	0	0	8

Suggestions for improvement: 1. No info on market briefing/no emails. 2. Frequently asked questions document. 3. Didn't know about. 4. Sorry missed it. 5. Only receive PDF file from Kauman 7. Didn't go – but knew about it. 8. Received 2<sup>nd</sup> day of show.

9. The FAS staff attitude, including courtesy and efficiency

Excellent	Satisfactory							Poor	
10	9	8	7	6	5	4	3	2	
1									
24	8	1	0	0	0	0	0	0	

10. The shows effectiveness in meeting your exhibiting goals

Excellent	Satisfactory							Poor	
10	9	8	7	6	5	4	3	2	
1									
10	7	5	2	6	2	0	0	0	2

11. Would you participate in this show again?

Excellent	Satisfactory							Poor	
10	9	8	7	6	5	4	3	2	
1									
17	1	4	3	5	3	2	0	1	2

12. The quality of the visitors who attended the show

Excellent	Satisfactory							Poor	
10	9	8	7	6	5	4	3	2	
1									
5	7	8	7	2	4	1	1	1	2

13. What results did you obtain from this event?

	Signed	Pending
Agent/distributor agreements	3	14
Licensee agreements	0	2

Joint venture agreements	1	3
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14. Please indicate which of your firm's objectives were met at the show. (All items may not apply.)

	YES	NO
Finding a sales representative	12	4
Finding a licensee	0	6
Finding a joint venture partner	1	7
Immediate sales during event	9	13
Market exposure	35	0

### Suggestions/Improvements

15. Please provide additional comments, recommendations and/or suggestions for improvement in show procedures.

- Put English names of companies on badges of end users, distributors, and processors. "Just" business or importer is no good to us. Too many students 1<sup>st</sup> & 2<sup>nd</sup> day – should limit until last day.
- There are a lot of non-business related visitors. Especially after 3 p.m.
- Excellent show. MIATCO/USATO staff was outstanding.
- Double check exhibitor entry information (contact info – i.e. website addresses) in Exhibitor Guide Book.
- Great show; wonderful assistance in promoting blueberries.
- It would be good/helpful to provide country regulations in the products that we are hoping to export to Korea.
- Screen visitors better
- TV documentary – market tour useful
- Show should be bigger
- More internet and copy services for the exhibitors would be helpful
- Communication - trade only. More set up time (electrical), 2 day sep up. Need info on product, cold storage. Organizers not easy to get response back and no quotes on cost notification of cash only. Credit card payments!
- Freezer cases needed too many fees. No cold storage plug in fees. Deliver chairs – only two compartments in cabinets for POS materials.
- Very organized

- Because of Students – I lost all marketing materials and business cards
- Wireless Network for Internet would be useful
- Palette of products – storage problems. Want to sign up for Food Show Plus!
- Calendar of events sign - when you walk in the door. Couldn't set up booth until of 1<sup>st</sup> day noon.
- Show smaller. Make regional show. Move to COEX.
- Free buffet for all vendors!
- Thank you for great support. Excellent.
- Very satisfied with everything the way it is. Would like some buffet.
- Our sign was wrong and we didn't know who to go to in order fix. Registration people were unhelpful. Didn't know who to talk to. Since we came with our distributor, we didn't know about the ATO and its services.
- Wireless Internet. Larger trash cans. Lead machines.
- More security – there didn't seem to be any. We had a visitor (no badge) that was very unruly and had to be told to leave the booth with the help of a potential Korean customer. There didn't seem to be any checking for badges and too many students were allowed in.

### Company Profile

16. What is your primary business activity? Please check one of the following:

Manufacturer	13
Export/Trading Company	14
Distribution/Wholesaler	5
Service	1
Other	10 (Farm Coop Grain Crops, Council, Commodity Commission, Partnership, Vertically Integrated Producer, Importer, Trade Association)

17. When you participated in this show, was your firm new to MARKET? Yes **16** No **17**  
 When you participated in this show, was your firm new to EXPORT? Yes **12** No **24**

18. Please identify your company size, in terms of annual sales and employment. Check one.

Sales		Employees		Ownership	
under \$1 million	5	10-50 employees	20	American Indian or Alaska Native	0

\$1-10 million	12	50-100 employees	0	Asian	5
\$10-50 million	6	100-250 employees	2	Black or African American	0
\$50-250 million	3	250-500 employees	1	Hispanic or Latino	0
over \$250 million	4	over 500 employees	5	Native Hawaiian or Other Islander	0
				White	15

19. How did you hear about our program?

ATO(4), FAS(4), MIATCO(5), WUSATA(2), SUSTA(2), UNFI(4), N. Dakota Agriculture, Direct contact, IL Dept of Ag., Exhibitor at Expo West, ID Dept of Ag, CA Dept of Commerce, Internet, Show Organizer, Kallman with Fancy Food, State of Alaska, Newspaper, Singapore show from Korean clients, F&H Show-Vietnam2004.

20. Are you using the wealth of information available to you on the FAS/USDA website?

Yes: **21**

No: **9**

21. Contact and product information of exhibitors who submitted the survey form.

Company	Name	Products Exhibited
Agrisource, Inc.	Fred Zavosh	Sauces
Albert's Organics	Steve Janedis	Peeled carrots
ChocoVision	Jeff Carano	Chocolate Tempering Machines
Dakota Pride Cooperative	Terry Borstad	Grains, Wheat, Soybeans
East-West Development	Jiunn-Der Wu	Shelf Stable Cheese, Salsa
Food Mktg Coop. Of PA	Ron Davis	Jams, Jellies, Organic Cheese, Wine
FoodSource Inc.	Syed Hussain	Almond, Walnut
French Gourmet	Linda Coffman	Croissants, Danish
Global Food Concepts, Inc.	Deborah Mundt	Donuts, Ice Cream
Han Kang Intertrade	Joyce HWANG	Body Products
Idaho Potato Commission	Bill Syms	Frozen Potato Products
J&J Corporation, Inc.	Jade In	Sprouting, Tofu & Natto Beans
Kimmie Corp.	Christine KIM	Cranberry, Blueberry
Meadowbrook Farms	May May Ng	Pork, Bacon, Sausage
Misong Enterprise/J&J Snack	Tom Kang	Pretzels & Ice Cream
My Family Farm	Annie Bennett	Organic all natural cookies
Natural Foods Inc.	Heung Jin YOU	Sport Drink, Snack
Nature's Finest Foods, Ltd.	Daniel J. Zedan	Pecans
Nature's Place	Min Jae CHO	Tea Tree Shampoo
North Dakota Mill	Mick Johnson	Flour
Ocean Beauty		Pollock Roe
Ocean States Inc.	Broce Coop/Kevin Hong	Mixed Dry Groceries
Ocean States Korea Inc.	Chang Yong CHUNG	Hyper-Market Juice
Omni Pacific Co., Inc.	Brett Roberts	Food & Beverage
Organic Ingredients	Joseph Stern	Juice Concentrates
Pacific Sun Olive Oil	Brian Kenny	Cured Pitted Dried Olives
Perdue Farms Incorporated	Jay Simpson	Wingster, Turkey Sausage/Ham
Pet Guard	Zachary Sherman	Organic Products

Ridgefield Farms	Dave Ellicott	Represented Beef Products
Sanfaustino	Bill Sipper	Calcium Water
Simplot		Tortillas, Guacamole
Sugardale Food Service	Avy Konor	Bacon, Pepperoni, Bits
SUSTA	Higgins	
Terra Nostra	Boyd Folkard	Dark Chocolate
U.S. Dairy Export Council	Hyun Joo LEE	Cheese, Butter, Ice-Cream
US Highbush Blueberry Council	Deborah Payne	US Highbush Blueberry
Wine Team		Wine
Z.A.S. Int'l Inc Korea	Hong Hee LEE	Canned Corn, Fruit Juice, Chicken Broth
Z.A.S. Int'l Inc.	Zee Sulyman	

**Food and Hotel Korea 2005  
U.S. Pavilion Enhancement Survey  
U.S. Exhibitor Response**

1. Did your company participate in the Food and Hotel Korea 2004 trade exhibition?

Yes: **13**

No: **21**

2. If Yes, how would you characterize the noticeability of the U.S. Pavilion this year in comparison to the U.S. Pavilion in previous years?

Improved: **11**

No Change: **1**

Poor: **1**

3. If YES, (to question #1), how would you rate the design of the U.S. Pavilion in comparison to the 2004 exhibition?

More Attractive: **12**

Same: **2**

Less Attractive: **1**

4. How would you rate the design of the U.S. Business and Information Center?

Excellent: **14**

Standard: **13**

Fair: **2**

5. How Important are the business services of the U.S. Business and Information Center as a location for conducting business?

Very Important: **28**

Not Important: **5**

Name a specific feature you strongly are in favor of:

- Making contacts with Korean Buyers
- Customer Contact
- Meeting Space (3)
- Internet access (9)
- USATO staff availability to answer import questions
- Overall-general assistance as required
- Computers (I like the availability – would be great to have a wireless hub to use computers at booth)



- Printing resource
- The on hand presence of FAS staff.
- Overall Venue
- On site support
- Phone usage
- Interpreters-general market knowledge

6. Do you plan on participating at Food and Hotel Korea 2006?

Yes: 22

Maybe: 5

No: 2

Comments:

- Thank you Ken for your exceptional work.
- Thank you.
- Great show. Great staff
- The fact that it was practical and attractive and not extravagant was excellent – cohesive theme
- Fascia signs were nice. Look good.
- Open corners great idea. Coffee-at US B&IC would be nice
- Sign misspelled our company name.